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UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

Progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD contributions

Note by the UNCTAD secretariat

Executive summary

Pursuant to United Nations General Assembly resolution 57/270 B and paragraph 18 (n) of the Doha Mandate, UNCTAD should contribute to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social and related fields. UNCTAD also contributes to the achievement of internationally agreed development goals, including the Millennium Development Goals, and the ongoing work on the post-2015 development agenda. This document provides a brief review of the progress made in the relevant thematic areas and UNCTAD contributions thereto during the period July 2014–June 2015.

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Introduction

1. The United Nations General Assembly, in its resolution 57/270 B, stressed the need to "make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development" (para. 27). In this regard, it invited the Trade and Development Board to "contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits, under its relevant agenda items" (para. 27 (a)).

2. The thirteenth session of the United Nations Conference on Trade and Development, held in Doha in April 2012, agreed that UNCTAD should "implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development" (Doha Mandate, para. 18 (n)).

3. The present document is a review of progress made in the implementation of the outcomes of the major United Nations conferences and summits and UNCTAD contributions in this respect, during the period July 2014 – June 2015.

I. International trade

4. Trade plays an important role in economic growth, sustainable development and poverty alleviation. This role has been recognized by major United Nations conferences and summits, as well as, among others, the Doha Mandate and the United Nations Millennium Declaration and the associated Millennium Development Goals.

A. Progress made

5. Between 2011 and 2014, world trade in goods and services increased by close to $1 trillion, to reach about $24 trillion in 2014 (with services accounting for about $5 trillion), with developing countries accounting for about $11 trillion of world exports. Despite having greatly increased during the last decade, trade among developing countries (i.e. South–South trade) has also stagnated since 2011. South–South trade in goods in 2013 was valued at about $5 trillion, a level close to that of trade between developed countries (i.e. North–North trade). This figure represents more than half of overall developing country trade. The share varies by region, ranging from above 40 per cent in Latin America and countries with economies in transition, to almost 70 per cent in South Asia and East Asia. Although a proportion of South–South trade encompasses intraregional flows, the largest share involves trade with the East Asian region.

6. A major challenge is related to food security. World food demand is rapidly increasing, with rising income levels and strong population growth. Although many countries have developed, and could possibly further develop, food security policies, including by subsidizing the production of staple foods, such strategies may not always be possible (i.e. due to geography), economically viable or optimal and environmentally sustainable.

B. UNCTAD contributions

7. The twelfth meeting of the Conference of the Parties to the Convention on Biological Diversity was held in Pyeongchang, Republic of Korea, from 6 to 17 October 2014. UNCTAD contributed to the Conference of the Party discussions.

8. With regard to the BioTrade Initiative, the Third BioTrade Congress, held during the Business and Biodiversity Forum of the Conference of the Parties, provided a platform for public and private sectors, civil society and international and regional organizations to share experiences and explore avenues on how to foster sustainable business engagement in biotrade activities, and on ways to enhance an enabling policy framework for biotrade activities, including in post-2015 development agenda strategies. The event raised the profile of UNCTAD as a key player in promoting sustainable development goals and poverty reduction through its activities for the protection and promotion of biodiversity and the sustainable use of biodiversity.

9. UNCTAD attended and contributed to the deliberations of the third International Conference on Small Island Developing States (SIDS), held in Apia, Samoa from 1 to 4 September 2014. UNCTAD organized a high-level side event on harnessing the oceanic wealth of SIDS through sound trade specialization and sustainable and resilient maritime transport. The event highlighted the importance of moving the economic frontier in SIDS towards new and sustainable ocean-based sectors (e.g. fisheries, tourism, renewable energy and maritime transportation) that would allow higher levels of diversification and trade specialization. The event also underlined the importance of resilient transport systems to address vulnerabilities and low connectivity.

10. Since the adoption of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices by the General Assembly in its resolution 35/63, UNCTAD has played a key role in assisting developing countries and countries with economies in transition in the establishment of their competition regimes. Technical assistance, capacity-building and advisory services provided by UNCTAD, at both national and regional levels, includes assisting countries in setting up legal frameworks, strengthening their institutional capacities for better implementation of competition laws and undertaking competition advocacy to create a competition culture and promote consumer welfare.

11. The sixth United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices had invited UNCTAD to convene two ad hoc expert meetings on the interface between competition policy and consumer welfare. The first Ad Hoc Expert Meeting on Consumer Protection, held on 12 and 13 July 2012, requested the secretariat to prepare a draft report containing proposals for a revision of the *United Nations Guidelines for Consumer Protection*, for consideration by the Intergovernmental Group of Experts on Competition Law and Policy at its thirteenth session. The second Ad Hoc Expert Meeting on Consumer Protection was convened on 11 and 12 July 2013, on the occasion of the thirteenth session of the Intergovernmental Group of Experts, and deliberated the implementation report prepared by UNCTAD. A proposal was accepted to form four working groups to assist the secretariat in preparing a report to the seventh United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, including a working group to consider the implementation of the *United Nations Guidelines for Consumer Protection*. An additional Ad Hoc Expert Meeting on Consumer Protection discussed a report on modalities for the revision of the Guidelines and its conclusions, plus further issues highlighted by member States and stakeholders and proposed for inclusion in the revision of the Guidelines.

12. The fourteenth session of the Intergovernmental Group of Experts on Competition Law and Policy was held from 8 to 10 July 2014. The Group conducted voluntary peer reviews of competition law and policy in Namibia, the Philippines and Seychelles.

13. A substantial number of activities were undertaken to address the needs of developing countries in assessing the developmental implications of the outcomes of the ninth Ministerial Conference of the World Trade Organization (WTO), held in December 2013 in Bali, Indonesia. UNCTAD organized and substantively contributed to the Least Developed Countries Group Ambassadors and Experts Retreat, held in February 2015, for defining a post-Bali work programme to conclude the outstanding issues in the Doha Round and prepare for the tenth Ministerial Conference.

14. UNCTAD provided substantive support to member States during discussions of the sixty-ninth session of the General Assembly on international trade and development issues. The report of the Secretary-General of the United Nations on international trade and development highlighted that the "international trading system is facing fragmentation as the prevalence of regional and 'plurilateral' processes increases, challenging the centrality and credibility of the multilateral trading system" (A/69/179).

15. UNCTAD contributed to various migration and development events, including those organized by the Global Migration Group, International Organization for Migration, World Bank and WTO. UNCTAD made contributions regarding the trade and development aspects of migration and participated in the first preparatory meeting of Turkey's Chair of the Global Forum on Migration and Development, held in Geneva, Switzerland, on 22 October 2014.

16. UNCTAD contributed to the United Nations Inter-agency and Expert Group on Millennium Development Goal indicators. UNCTAD contributions, in close collaboration with the International Trade Centre and WTO, entail the annual provision of data and analyses for updates on Millennium Development Goal 8 indicators on market access, namely indicator 8.6 on the proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty, and indicator 8.7 on average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries. The Inter-agency and Expert Group prepared the *Millennium Development Goals Report 2014*, which presented the annual assessment of global progress towards achieving the Millennium Development Goals.

17. UNCTAD also contributed to the Millennium Development Goal Gap Task Force, which was created by the Secretary-General of the United Nations to improve the monitoring of Millennium Development Goal 8 by leveraging inter-agency coordination. UNCTAD provided analytical inputs to the chapter on market access (trade) of the *Millennium Development Goal Gap Task Force Report 2014: The State of the Global Partnership for Development*.

18. The Agreement on Trade Facilitation of WTO requires the publication and availability of information about import and export procedures and regulations. UNCTAD collects data on import and export laws and regulations and classifies them in the UNCTAD and Multi-Agency Support Team international classification of non-tariff measures.

19. As a member of the inter-agency technical support team, UNCTAD provides technical inputs on the role of trade as a means of implementation of the sustainable development goals to the ongoing intergovernmental negotiations on the post-2015 development agenda.

20. UNCTAD actively participated in all aid for trade-related meetings organized by the Organization for Economic Cooperation and Development and WTO. UNCTAD also contributed a chapter entitled "Trade in the post-2015 development agenda" to the publication *Aid for Trade at a Glance 2015*.

II. Commodities

21. Commodities are reflected in the outcomes of major United Nations conferences and summits. The General Assembly, in its resolution 60/1 on the 2005 World Summit outcome, emphasized the "need to address the impact of weak and volatile commodity prices and support the efforts of commodity-dependent countries to restructure, diversify and strengthen the competitiveness of their commodity sectors" (para. 33). The International Conference on Financing for Development held in 2002 agreed that "multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports" (Monterrey Consensus, para. 37).

22. The outcome document of the United Nations Conference on Sustainable Development recognized that poverty eradication, sustainable patterns of consumption and production and the management of natural resources are inextricably linked to sustainable development (para. 4). General Assembly resolution 68/203 on commodities reflected the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development.

23. The twelfth session of the United Nations Conference on Trade and Development, held in Accra in April 2008, provided an all-inclusive mandate that anchors the work of the UNCTAD secretariat in the areas of commodity trade and development (Accra Accord, para. 91). The Doha Mandate calls on policymakers to identify and implement appropriate policies at all levels to address the impacts of volatility of commodity prices on vulnerable groups and notes the importance of supporting commodity-dependent developing countries in formulating sustainable and inclusive development strategies, including those that promote value addition and economic diversification (para. 27).

A. Progress made

24. Commodity prices have generally continued to display a downward trend, observed throughout 2014. High stock levels and good harvests of major crops have influenced food prices. The decline in base metals prices has been due to weak demand, ample supply and high stock levels. In January 2015, oil prices had more than halved relative to their level in mid-2014. By June 2015, they had slightly recovered, but remained 30 to 40 per cent lower than their level one year earlier. Factors behind the drop in oil prices include shale oil and gas production in the United States of America, weak global demand and high stock levels. International commodity prices are forecasted to remain at high levels in 2015, by historical standards, but face downward pressure.

B. UNCTAD contributions

25. UNCTAD implemented a broad range of activities, including policy analysis, intergovernmental meetings and technical assistance, to assist commodity-exporting developing countries in addressing commodity-related challenges, including improving their productive capacities and harnessing the gains from commodities production and trade.

26. The seventh session of the Multi-year Expert Meeting on Commodities and Development, held on 15 and 16 April 2015, debated recent developments and challenges in commodity markets and policy options for commodity-based inclusive growth and sustainable development. Key recommended policies included economic diversification and the intensification of value added processing; design and improvement of appropriate policies against commodity price volatility and policies ensuring food security; increase of access to financial resources while fostering policies against commodity price volatility and policies ensuring food security; and addressing of issues related to market access.

27. The sixth Global Commodities Forum, held on 13 and 14 April 2015, explored the challenges and opportunities of trade in commodities. The Forum examined the prospects for transparency-themed governance reform in the Swiss trading sector. The Forum also discussed different perspectives on the prospects for renewables in a lower-carbon energy mix, and examined the implications of the end of the 2003–2011 commodity boom on development and terms of trade.

28. UNCTAD collaborates with members of United Nations–Energy, the mechanism for inter-agency collaboration in the field of energy, to help create a coherent approach towards a sustainable energy system, especially in developing countries. UNCTAD organized an Oil-Gas-Mines Special Event, held in October 2014 in Geneva, with the theme of achieving sustainable development goals through investment in oil and gas field services. The event highlighted opportunities that projects in oil, gas and mining generated in terms of field services.

29. Publications in 2015 included, in April, the *State of Commodity Dependence 2014* report, which compiles a range of statistics on commodity dependence at the country level, covering 135 developing countries.

III. Investment and enterprise development

30. The outcome of the first International Conference on Financing for Development, the Monterrey Consensus, emphasized the importance of international private capital flows, notably foreign direct investment, to support national and global development efforts. In addition, the Plan of Implementation of the World Summit on Sustainable Development held in 2002 underscored the contribution of foreign direct investment in advancing sustainable development.

31. General Assembly resolution 60/1 on the 2005 World Summit outcome affirms the resolution of Heads of State and Government to "encourage greater direct investment, including foreign investment, in developing countries and countries with economies in transition to support their development activities and to enhance the benefits they can derive from such investments" (para. 25). The resolution acknowledges related policy areas such as the vital role of the private sector (para. 23 (e)) and makes commitments in other related policy areas such as good governance and the promotion of small and medium-sized enterprises (para. 24 (a)) and corporate responsibility and accountability (para. 24 (c)).

32. In 2008, the International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus recognized the role of foreign direct investment as a vital complement to "national and international development efforts" (Doha Declaration on Financing for Development, para. 23). In 2011, the declaration of the fourth United Nations Conference on the Least Developed Countries underlined that a "dynamic, well-functioning and socially responsible private sector, small and medium-sized enterprises in particular, and an appropriate legal framework are crucial for promoting entrepreneurship, investment, competition, innovation and economic diversification" (para. 8 (b)).

33. Finally, the outcome document of the United Nations Conference on Sustainable Development called for an "enabling environment at the national and international levels, as well as continued and strengthened international cooperation, particularly in the areas of… technology transfer, as mutually agreed, and innovation, entrepreneurship, capacity-building, transparency and accountability" (para. 19).

A. Progress made

34. Foreign direct investment flows retreated by 13 per cent, to $1.24 trillion, in 2014, muted by regional economic weakness, volatility in currency and commodity markets and increased geopolitical risk. Developing economies widened their lead as preferred destinations for global foreign direct investment inflows, receiving nearly 55 per cent of total flows. Foreign investment flows to developed countries declined by 21 per cent, to a 40 per cent share of total flows, while flows to countries with economies in transition nearly halved.

35. Foreign direct investment outflows from developing countries also showed robust growth. Transnational corporations from developing economies invested almost $500 billion abroad – a 30 per cent rise over the previous year – to give them a record 36 per cent share in global outflows, compared to 12 per cent in 2007. Developing Asia, for the first time, became the world's largest investor region. Outflows from developed countries remained mostly stagnant.

36. UNCTAD forecasts a recovery in foreign direct investment, projecting that flows could rise by 12 per cent to $1.4 trillion in 2015, climbing to $1.5 trillion in 2016, and $1.75 trillion in 2017.

37. In terms of investment policy developments, countries continued to adopt measures to liberalize, promote and facilitate investment. In 2014, more than 80 per cent of measures sought to improve entry conditions and reduce restrictions, with a specific focus on investment facilitation and sector-specific liberalization, notably in the infrastructure and services sectors. Where investment restrictions were introduced, they were mostly related to national security concerns and strategic industries, such as energy and defence. Measures geared to encourage investment in sustainable development-related sectors are still relatively few. Only 8 per cent of measures between 2010 and 2014 were specifically targeted to increase private sector participation in sustainable development-related sectors.

38. Thirty-one new international investment agreements were concluded in 2014, most with provisions related to sustainable development. The total number of international investment agreements grew to 3,271 treaties. There were 42 new investor–State dispute settlement cases in 2014, bringing the total number of known treaty-based claims to 608. Developing countries continue to bear the brunt of these claims, but the share of developed countries is on the rise. Most claimants come from developed countries.

B. UNCTAD contributions

39. In 2014, UNCTAD dedicated both the *World Investment Report* and the World Investment Forum to the post-2015 development agenda process, notably with a view to ensuring private investment involvement in delivering on sustainable development goals. The *World Investment Report 2014* provided an analytical assessment of investment needs to deliver on development, and set out a comprehensive and ambitious action plan for investing in sustainable development, with guidelines on how private sector investment could most effectively contribute to sustainable development goals.

40. The fourth biennial World Investment Forum, which took place from 13 to 16 October 2014 in Geneva, presented these development challenges to global investment leaders under the theme of investing in sustainable development. The Forum sought to secure private sector support for the sustainable development goals process and explore ways to effectively channel private capital towards sustainable development, taking the action plan as a guideline for discussions. The Forum culminated in a chairs' summary of the ministerial round table, which cited the action plan in the *World Investment Report* as an important input in the ongoing multilateral processes to formulate sustainable development goals and find financing for development. The ministerial recommendations will be submitted to key meetings on the road to setting the post-2015 development agenda, notably the third International Conference on Financing for Development (Addis Ababa, 13–16 July 2015) and the United Nations Summit to adopt the post-2015 development agenda (New York, United States, 25–27 September 2015).

41. Subsequent high-level meetings also explored avenues to involve the private sector in post-2015 development agenda objectives. The seventh session of the Investment, Enterprise and Development Commission, held from 20 to 24 April 2015, focused on mobilizing investment for development and, in particular, assessed UNCTAD contributions in this area. The high-level segment of the Commission considered current financing trends and financing options for developing countries and leveraging partnerships and innovative financing mechanisms to maximize their development impact. With regard to the role of entrepreneurship in sustainable development, the Commission discussions considered General Assembly resolutions 67/202 and 69/210 and explored strategies for supporting, in particular, the development of green, social, youth and women's entrepreneurship. Innovative and effective mechanisms to foster easier access to finance for entrepreneurs were also considered.

42. In line with the emphasis of the Monterrey Consensus on the need for a transparent and predictable investment environment, the UNCTAD work programme supports many countries, particularly least developed countries, through policy analysis and technical assistance that focus on capacity-building and fortifying institutions to foster a pro-development investment climate. With regard to investment promotion, a green investment hub was developed in 2014. In addition, the 2015 Investment Promotion Agency Awards honoured such agencies for their work in advancing environmentally sustainable investment in their countries.

43. In 2014, investment policy reviews continued to be conducted, with the overarching aim of helping countries align their investment frameworks with development objectives, to enhance benefits from foreign direct investment. Reviews for 39 countries – half of which are least developed countries – have been completed to date, and work continues on another four reviews.

44. At the international investment policy level, UNCTAD continued to support countries in their search for international investment agreement reform options that will better align the international investment agreements regime with sustainable development principles. UNCTAD's Investment Policy Framework for Sustainable Development is a principal contribution in this area and countries continue to access the framework to remodel their international investment agreement policies. The *World Investment Report 2015* built on this contribution by proposing an action menu for reforming the regime. Policy analysis work was supplemented by consensus building efforts, including the Expert Meeting on the Transformation of the International Investment Agreement Regime, held in February 2015, which was attended by a large number of leading stakeholders in international investment agreements. Capacity-building efforts to assist, in a practical manner, countries negotiating investment agreements also continued during the year.

45. The Monterrey Consensus urges special efforts in the area of corporate governance. In this context, the United Nations sustainable stock exchanges initiative, co-organized by UNCTAD, has become a strong force for inducing responsible corporate behaviour. Twenty-two stock exchanges have joined the initiative, representing 17,000 companies with a combined market capitalization of $36 trillion. UNCTAD also organized the thirty-first session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, on the margins of the World Investment Forum 2014, with discussions focused on monitoring compliance and enforcement of international reporting requirements.

46. The Monterrey Consensus notes that for the mobilization of private finance for development, it is critical to foster a well-functioning business sector. In this context, UNCTAD continued its technical assistance for entrepreneurship development, including through the Empretec programme, which is now present in 36 countries, and has trained 361,000 entrepreneurs since its inception in 1988.

47. In line with the Beijing Declaration and Platform for Action of the fourth World Conference on Women, which calls for the advancement of women's rights, including their economic independence, UNCTAD undertook several efforts to mainstream women's empowerment in its activities. In 2014, a report entitled *Investment by Transnational Corporations and Gender: Preliminary Assessment and Way Forward* was published, which contains targeted policy and corporate action recommendations to ensure that the operations of transnational corporations benefit women in developing countries. Empretec continued efforts to advance the development of women entrepreneurs, notably through its Women in Business Awards – presented at the World Investment Forum 2014 – that highlighted the achievements of women-led businesses in 11 developing countries and least developed countries.

IV. Coherence of the international monetary, financial and trading systems

48. Building on the outcomes of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009, the Doha Mandate notes the significant role of effective macroeconomic policies and development strategies in crisis prevention and recovery. The Mandate points to regional integration and interregional cooperation as means to support national development strategies, reduce external vulnerabilities and enhance the global governance system.

49. Reaffirming the Monterrey Consensus and the Doha Declaration on Financing for Development, the Doha Mandate highlights the importance for development of the mobilization and effective utilization of all sources of financing. In particular, it notes the role of finance in supporting the real economy for sustained, inclusive and equitable economic growth and sustainable development and states that all countries, developed and developing alike, can pay serious political, social and economic costs from financial shocks.

A. Progress made

50. The world economy has yet to escape the slow growth path of the past four years. Policymakers worldwide, especially in systemically important economies, need to assess approaches and pay closer attention to signs of ongoing economic turbulence. World economic growth showed modest improvement in 2014, though it remains significantly below its pre-crisis highs. Global growth increased moderately, to between

2.5 and 3 per cent in 2014, essentially due to growth in developed countries, improving from 1.3 to 1.8 per cent in 2014, while developing countries grew between 4.5 and 5 per cent, and countries with economies in transition continue to experience weak growth.

51. The policy mix in developed economies has been comprised, to varying degrees, of a combination of fiscal austerity, wage containment and monetary expansion in hopes of boosting investor confidence. In emerging economies, the extent to which domestic demand expansion has been backed by income expansion or by unsustainable asset bubbles and excessive consumer borrowing is still unclear. The potential vulnerability of developing and emerging economies is exacerbated by persistent weaknesses in the international financial architecture. In such circumstances, capital flows can have significant, and not always welcome, effects on the real economy and on the ability of policymakers to respond to unforeseen shocks.

B. UNCTAD contributions

52. The *Trade and Development Report 2014: Global Governance and Policy Space for Development*, reviewed recent trends in the world economy, examining the consistency and sustainability of the economic policies currently followed by key countries and groups of countries, and analysing how financial spillovers affected global economic interdependence. The report addressed the evolution and current conditions of the policy space needed for implementing growth-enhancing and inclusive development strategies, and discussed how countries could better manage capital flows in order to expand their policy spaces for pursuing their development strategies. In addition, the report highlighted problems arising from the current international investment framework and the related ad hoc arbitrage tribunals that had assumed important law-making functions usually allocated to States. The report considered policy space as depending not only on existing rules and commitments made in the WTO Agreement on Trade Facilitation and other bilateral or plurilateral agreements, but also on the possibility of mobilizing resources for financing industrial policies, investment and growth. Finally, the report highlighted that from a developmental State point of view, fiscal space was a key aspect of policy space. In this context, developing countries needed to look at ways to address the loss of revenues stemming from illicit financial flows, tax havens and the inadequate taxation of the extractive industries.

53. Policy briefs were produced in order to present research results in a shorter and more accessible format, aimed at synthesizing topical debates, with a particular focus on issues relating to the debate on finance for development and the implementation of sustainable development goals.

54. UNCTAD continued to play an active role in providing advisory services to the Group of 20 on issues related to macroeconomic and development policies, such as employment, global imbalances and global economic governance, including the global spillover effects of macroeconomic policies in developed countries. In particular, UNCTAD participated in meetings of the Group of 20 Working Group on the Framework for Strong, Sustainable and Balanced Growth.

55. UNCTAD continued its capacity-building projects in West and Central Africa and Latin America and the Caribbean, aiming to help countries strengthen their capacities for pro-growth macroeconomic management and enhanced regional financial and monetary cooperation. New research was completed on the impact of regional financial and monetary union in West Africa and on the requirements to support physical interregional infrastructure projects in Latin America and elsewhere. In June 2015, UNCTAD hosted a seminar on financial integration and cooperation in West and Central Africa. Senior policymakers from ministries, regional development banks, central banks and United

Nations agencies discussed the policies needed to enable long-term development finance to play a role in promoting interregional infrastructure investment and interregional trade.

C. UNCTAD contributions on debt and development finance

56. In 2014, UNCTAD prepared the report of the Secretary-General of the United Nations on external debt sustainability and development. The report included a comprehensive analysis of the external debt situation and debt servicing problems faced by developing countries and countries with economies in transition, with a special emphasis on least developed countries. It described new developments and trends in external debt, official development assistance and related areas of development finance, discussed various issues related to the design of a structured mechanism for dealing with sovereign debt restructuring, as well as the role of credit rating agencies, and provided a basis for the deliberation of related policy issues. As part of this work, UNCTAD also facilitates negotiations among Member States for the General Assembly resolution on external debt sustainability and development.

57. UNCTAD also assisted a number of least developed countries through its project on building capacity in regulatory and institutional sovereign debt governance. An initial workshop took place in Kathmandu on 30 and 31 March 2015, with participants from the following five least developed countries: Bangladesh, Haiti, Mauritania, Nepal and Togo. The aim of the project is to promote the enhanced responsibility of the parties involved in sovereign lending and borrowing and more generally in sovereign debt governance.

58. The General Assembly, in its resolution 69/247, established an ad hoc committee to elaborate a multilateral legal framework for sovereign debt restructuring processes. UNCTAD is the secretariat of the ad hoc committee. Three meetings of the ad hoc committee were organized in New York in February, April and June 2015.

59. UNCTAD also provides support to debtor countries in their preparations for negotiations on rescheduling or restructuring bilateral official debt in the framework of the Paris Club.

60. It is recognized, through the Millennium Development Goals, that building and retaining strong national capacities in the area of debt management is essential in the goal to reduce poverty. As a member of the Millennium Development Goal Gap Task Force, UNCTAD provides feedback and inputs in the preparation of the *Millennium Development Goal Gap Task Force Report* in the area of external debt sustainability, under Millennium Development Goal 8.

61. In addition, UNCTAD, under the project on promoting responsible sovereign lending and borrowing, has formulated a set of principles to guide responsible sovereign lending and borrowing practices, following extensive consultations with prominent experts in the fields of law, finance and economics. The project seeks to establish internationally accepted principles for responsible sovereign financing, an important issue that requires international consideration. The identification of agreed principles is viewed as the first step in the process of preventing (and if necessary resolving) future debt problems. The principles will set the framework from which more detailed guidelines will be elaborated.

62. The UNCTAD Debt Management and Financial Analysis System Programme, a leading provider of technical cooperation and advisory services in debt management, continued to provide assistance to developing countries in order to improve their capacity to manage debt in a sustainable manner, with a specific focus on least developed countries. Working directly at the country level in 57 countries and with 85 institutions, during the reporting period, to deliver practical assistance in this critical area, the Programme helped

strengthen the capacity of users to handle the day-to-day management of public liabilities and produce reliable debt data for policymaking purposes.

V. Science and technology for development, including information and communications technologies

63. The World Summit on the Information Society (WSIS) adopted a common vision of a people-centred, inclusive and development-oriented information society. The Summit adopted four outcome documents that seek to translate this vision into concrete objectives, goals and targets, to be met by 2015, along with 11 action lines and main themes. UNCTAD, through the Commission on Science and Technology for Development, was designated by the United Nations Economic and Social Council to act as the focal point in the system-wide follow-up to the outcomes of the Summit. In addition, UNCTAD is a co-facilitator of the action line related to e-business and contributes to measuring progress towards the Summit targets through the Partnership on Measuring Information and Communications Technologies for Development.

A. Progress made

64. There has been continued growth in the adoption and use of information and communications technologies (ICTs) in both developed and developing countries. Globally, the number of mobile-cellular telephone subscriptions has surpassed 6.9 billion. Nonetheless, many rural and remote regions of developing countries have yet to be covered by mobile networks, and many citizens cannot afford mobile telephones. Internet use also continues to expand, with more than 2.9 billion Internet users worldwide. An increasing proportion of users have access to high-speed broadband networks and services, but access is neither ubiquitous nor affordable in large areas of developing countries. Despite the positive developments towards narrowing the digital divide, additional attention is needed to ensure that developing countries are able to leverage ICTs for development as applications and services continue to evolve.

B. UNCTAD contributions

65. The Commission on Science and Technology for Development continued to monitor the implementation of and follow-up to the outcomes of WSIS at the international and regional levels, and prepared the corresponding annual report of the Secretary-General of the United Nations.

66. As part of the annual follow-up activities, a ministerial round table and a substantive discussion on the 10-year review of progress made in the implementation of the outcomes of WSIS were organized at the eighteenth session of the Commission, held from 4 to 8 May 2015. The Commission discussed the new opportunities presented by changing technology and the spread of ICTs, as well as challenges and the importance of ensuring an enabling environment for the development of ICTs.

67. The Commission noted that, while great progress had been made in increasing access to ICTs and meeting the goals of WSIS, substantial divides remained in connectivity and access between and within countries. In this context, attention was drawn to the extensive evidence provided in the substantive report of the Commission secretariat, entitled *Implementing WSIS Outcomes: A Ten-year Review*.

68. UNCTAD co-organized the WSIS Plus 10 High-level Event in June 2014, together with the International Telecommunication Union and the United Nations Development Programme and the United Nations Educational, Scientific and Cultural Organization. UNCTAD also co-organized the WSIS Forum in May 2015. During the event, UNCTAD organized thematic sessions related to e-business, international e-commerce for developing countries, measuring the information society and the 10-year review of the outcomes of WSIS by the Commission on Science and Technology for Development.

69. The Economic and Social Council, in its resolutions 2013/9 and 2014/27, recommended that the Commission conduct a review of the progress made in the past 10 years in the implementation of the outcomes of WSIS. Accordingly, in addition to its annual WSIS follow-up, the Commission carried out activities for the 10-year review. Substantive discussion on the review was conducted at the eighteenth session of the Commission, as noted above. A collection of inputs from all stakeholders was carried out through a questionnaire posted on the Commission website, resulting in close to 100 written contributions from Governments and other stakeholders. Seven face-to-face consultations were held in the context of other international events, focused on particular regions. A substantive report by the Commission secretariat was prepared in order to assist the Commission in considering the 10-year review, at its eighteenth session. The Commission review will serve as input in the overall review of the outcomes of WSIS to be conducted by the General Assembly in 2015.

70. In its capacity as the Commission secretariat, UNCTAD continued the review of international public policy issues pertaining to the Internet, initiated by the Working Group on Enhanced Cooperation, as recommended by the Economic and Social Council in its resolution 2014/27. The Commission, during its intersessional panel in 2014 and its eighteenth session, discussed the outcomes of the work carried out by the secretariat.

71. The *Information Economy Report 2015* examined how to unlock the potential of e-commerce for developing countries. The report noted that the scope for more inclusive e-commerce was widening due to improved connectivity, the development of new e-commerce services, platforms and solutions and the growth of e-commerce companies in the South. UNCTAD also produced a practical guide on how to empower women entrepreneurs through ICTs and an assessment of the measurement of ICTs and gender.

VI. Countries in special situations

A. Least developed countries

1. Progress made in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020

72. In accordance with paragraphs 41 (o) and 41 (p) of the Doha Mandate, UNCTAD has been actively supporting the goal of the Programme of Action for the Least Developed Countries of enabling at least half the number of least developed countries to meet the criteria for graduation from least developed country status by 2020 (para. 28).

73. This role involves advisory services and technical assistance to countries with the prospect of graduation from least developed country status, either during the period preceding the graduation decision by the relevant United Nations bodies, or during the (normally three-year) period following this decision and preceding the country's graduation. Following the fourth United Nations Conference on Least Developed Countries, held in Istanbul, Turkey, one State graduated from least developed country status (Samoa, in January 2014), and three additional States were found eligible for graduation

(Equatorial Guinea, Vanuatu and Angola, to graduate in June 2017, December 2017 and December 2018, respectively). During the 2015 review of the United Nations list of least developed countries, the following five countries were found to be pre-eligible for graduation (i.e. countries to be reviewed for full eligibility in March 2018): Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste. These States received, or will receive, UNCTAD assistance towards a transition to post-least developed country status.

2. UNCTAD contributions

74. The *Least Developed Countries Report 2014: Growth with Structural Transformation – A Post-2015 Development Agenda* highlighted that least developed countries had enjoyed unprecedented economic growth since 2000, but that most would not meet the majority of the Millennium Development Goals, a situation that the report referred to as the least developed country paradox. The report emphasized the following: least developed countries were trapped in a vicious circle of economic and human underdevelopment; economic growth must be accompanied by structural transformation and the creation of decent jobs in higher productivity activities; the least developed country paradox was rooted in the failure of the Millennium Development Goals to recognize the need for a policy framework that generated transformative growth, and in the inability of the least developed countries to achieve structural transformation; if least developed countries were to meet more ambitious sustainable development goals in a more challenging external environment, they would need to focus on ensuring structural transformation towards a modern and diversified economy; and, in addition to appropriate domestic policies, achieving sustainable development goals in least developed countries would require concerted efforts by the international community, commensurate with the ambition inherent in such goals.

75. UNCTAD is implementing capacity-building activities to strengthen the capacity of policymakers in least developed countries to meet their goals related to the Programme of Action. In October–November 2014, UNCTAD delivered a course in Nepal, entitled Development Policies in the Post-2015 Context. In February 2015, UNCTAD delivered a Regional Course on Key Issues on the International Economic Agenda, for officials and academics from Africa, including from 10 least developed countries.

B. Small island developing States

1. Progress made in the implementation of the elements relevant to UNCTAD of the Small Island Developing States Accelerated Modalities of Action Pathway

76. The General Assembly, in its resolution 65/2, adopted the outcome document of the High-level Review Meeting on the Implementation of the Mauritius Strategy, which requested the consideration of improved and additional measures to more effectively address the unique and particular vulnerabilities and development needs of SIDS. In the preamble to the Pathway – the outcome of the third International Conference on Small Island Developing States, held in Samoa – Member States reaffirmed their commitment "to take urgent and concrete action to address the vulnerability of SIDS" and to find "additional solutions to the major challenges facing SIDS in a concerted manner" (para. 22). The General Assembly resolution and Pathway echo two decades of work by UNCTAD, most of which has focused on making the vulnerability of SIDS a motive for international support measures specific to these States.

77. With regard to trade, as addressed in paragraph 107 of the Pathway, Member States recognized the disadvantages incurred by SIDS, and the need for efforts to support these States. The need for special measures to support the resilience-building efforts of SIDS implies, as a prerequisite, recognizing their status as SIDS and, therefore, the need for an

internationally acceptable list of such States. UNCTAD has been consistently emphasizing the need for a SIDS-related category, a goal difficult to attain in the absence of United Nations criteria for defining SIDS.

2. UNCTAD contributions

78. The pressing need for the special treatment of SIDS in relation to the question of graduation from least developed country status was strongly recalled by high-level representatives of SIDS in Samoa, notably on the occasion of a side event organized by UNCTAD. These shared efforts have recently been partially rewarded, with the decision by the United Nations Committee for Development Policy in March 2015 not to recommend Kiribati's graduation, despite the country's technical qualification for graduation. This move in the United Nations approach to highly vulnerable SIDS, a mark of systemic progress, is to a large extent attributable to advocacy work by UNCTAD.

C. Landlocked developing countries

1. Progress made in the implementation of the elements relevant to UNCTAD of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024

79. The Vienna Programme of Action, adopted in 2014 to provide a new holistic programme centred on addressing the challenges faced by landlocked developing countries, aims to contribute to the eradication of poverty stemming from the landlocked condition, through the implementation of specific actions in identified priority areas.

80. The six priority areas are as follows: fundamental transit policy issues; infrastructure development and maintenance, particularly transport, energy and ICT infrastructure; international trade and trade facilitation; regional integration and cooperation; structural economic transformation; and means of implementation. The main innovative feature of the Vienna Programme of Action is the particular focus on development and expansion of efficient transit systems and transport development, enhancement of competitiveness, expansion of trade, structural transformation, regional cooperation and promotion of inclusive economic growth and sustainable development to reduce poverty, build resilience, bridge economic and social gaps and ultimately help transform landlocked developing countries into landlinked countries.

2. UNCTAD contributions

81. UNCTAD contributed to the second United Nations Conference on Landlocked Developing Countries in implementing the relevant actions and priorities of the Vienna Programme of Action. In collaboration with the Common Fund for Commodities and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, UNCTAD is implementing a project on identifying growth opportunities and supporting measures to facilitate investment in commodity value chains in landlocked developing countries. The project, to be carried out in Botswana, Mongolia, Paraguay, Uzbekistan and Zambia, aims to carry out a series of country case studies to analyse how the landlocked condition affects capacity to develop a sustainable commodity sector. Primary commodities accounted for more than half of the exports of 27 of the 32 landlocked developing countries in 2011–2014. The heavy dependence of landlocked developing countries on exports of low-value, high-volume primary commodities, without direct access to the sea, undermines their international competitiveness. This situation requires continued efforts to provide efficient overland transport infrastructure, adding value and technological sophistication to primary commodities and coordination with transit neighbours.

82. The aim of the project is to identify and examine growth opportunities and supporting measures that will facilitate the participation of landlocked developing countries in regional and global commodity value chains. The findings and policy recommendations arising from the project will contribute to implementation of the Vienna Programme of Action, by guiding landlocked developing countries on implementing reforms that focus on improving infrastructure, facilitating trade through regional integration and structurally transforming economies through deepening participation in value chains. In addition, the findings and policy recommendations contributed to the High-Level Meeting on the Follow-up to the second United Nations Conference on Landlocked Developing Countries, held in Livingstone, Zambia from 2 to 4 June 2015.

83. UNCTAD successfully implemented a project on enhancing the capacities of landlocked developing countries to attract foreign direct investment for the development and modernization of productive capacities. The project contributed to improving human, institutional and regulatory capacities in beneficiary countries, important for assisting landlocked developing countries in attracting and benefiting from foreign direct investment for the development and modernization of their productive capacities. Through the project, investment guides were published for Bhutan, Burkina Faso and Rwanda. A transition to web-based investment guides, or iGuides, was implemented, and the first iGuides were published, for Burundi, Nepal and Rwanda.